

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

* Location Abandoned- well never drilled- Feb 5, 1982

DATE FILED 9-22-80

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

INDIAN 14-20-462-1122

DRILLING APPROVED: 10-30-80

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LA Feb 5, 1982

FIELD: CEDAR RIM 3/86

UNIT:

COUNTY: DUCHESNE

WELL NO. SINK DRAW #6A

API NO. 43-013-30545

LOCATION 813' FT. FROM (N) ☒ LINE.789' FT. FROM (E) ☒ LINE.

NE NE

1/4 - 1/4 S 23

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

138

7W

23

KOCH EXPLORATION COMPANY

KOCH EXPLORATION COMPANY

SUITE 530 ONE PARK CENTRAL 1515 ARAPAHOE STREET
DENVER, COLORADO 80202 TEL. 303-623-5266



*File in well
file 7*

August 21, 1980

State of Utah
Department of Natural Resources
1588 West North Temple
Salt Lake City, UT 84116

Re: Cedar Rim - Sink Draw Field
Duchesne County, Utah

Gentlemen:

Koch's Sink Draw #6 well located in the NE $\frac{1}{4}$ E $\frac{1}{4}$ SW $\frac{1}{4}$ (2326' FSL and 2886' FEL) Sec. 23-T3S-R7W, USM, Duchesne County, Utah is currently a producing well.

We have been experiencing mechanical problems in producing this well and propose to drill the Sink Draw #6-A as a substitute well to be located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ (813' FNL and 789' FEL) of said Section 23. For your information, a location plat is attached. This well will be drilled to the Wasatch Formation at an approximate total depth of 10,800 feet. If this well is productive, the Sink Draw #6 will be plugged and abandoned. It is our intention however, to utilize the existing tank battery on the Sink Draw #6 location for the produced products from the Sink Draw #6-A by laying a pipe line along our planned access road between the two wells.

Koch is current owner of all leasehold interests in the direct and diagonal offset sections to the Sink Draw #6-A proposed location being Sections 13, 14 and 24-T3S-R7W, USM.

A formal application to drill the Sink Draw #6-A will be forthcoming; however, we should like your approval at this time to proceed with our plans to drill said well.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Robert D. Romek".

Robert D. Romek
District Landman

RDR/aps

Encl.

APPROVED BY THE DIVISION
OF OIL, GAS, AND MINING

DATE: _____

BY: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

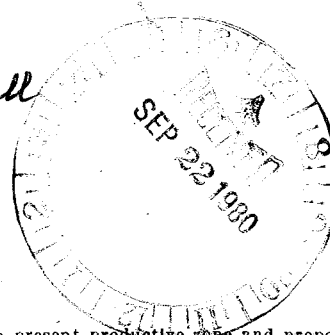
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. 14-20-462-1122
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME The Ute Indian Tribe
2. NAME OF OPERATOR Koch Exploration Company, a division of Koch Industries, Inc.		7. UNIT AGREEMENT NAME -----
3. ADDRESS OF OPERATOR 1 Park Central, Suite 530, Denver, CO 80202		8. FARM OR LEASE NAME Sink Draw
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 813' FNL, 789' FEL, Section 23-T3S-R7W At proposed prod. none Same NEVE		9. WELL NO. 6-A
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 8.3 miles northwest of Duchesne, Utah		10. FIELD AND POOL, OR WILDCAT Cedar Rim
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 813' FNL, 789' FEL		11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23-T3S-R7W
16. NO. OF ACRES IN LEASE 480.00		12. COUNTY OR PARISH Duchesne
17. NO. OF ACRES ASSIGNED TO THIS WELL 640.00		13. STATE Utah
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. Approx. 2800'		19. PROPOSED DEPTH 10,800'
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* 10-1-80
22. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 6647.5'		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	10-3/4"	40.5# J55 ST&C	600'	300 sx Class "G" w/3% CaCl
8-3/4"	7-5/8"	26.4# n80 LT&C	8000'	200 sx BJ lite & 100 sx
6-1/2"	5-1/2"	17.0# J55 LT&C	10,800'	Class "G" w/2% CaCl, 200 sx sc Class "G" w/2% Gel 0.4% R-5

See attached sheet for casing, cementing
and drilling program.

APPROVED BY THE DIVISION OF OIL, GAS, AND MINING
DATE: 10-8-80
BY: M.R. Miner
As a replacement well conditioned on P & A of Sink Draw #6 prior to production.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED CDunCovich TITLE Exploration Manager DATE 8/25/80

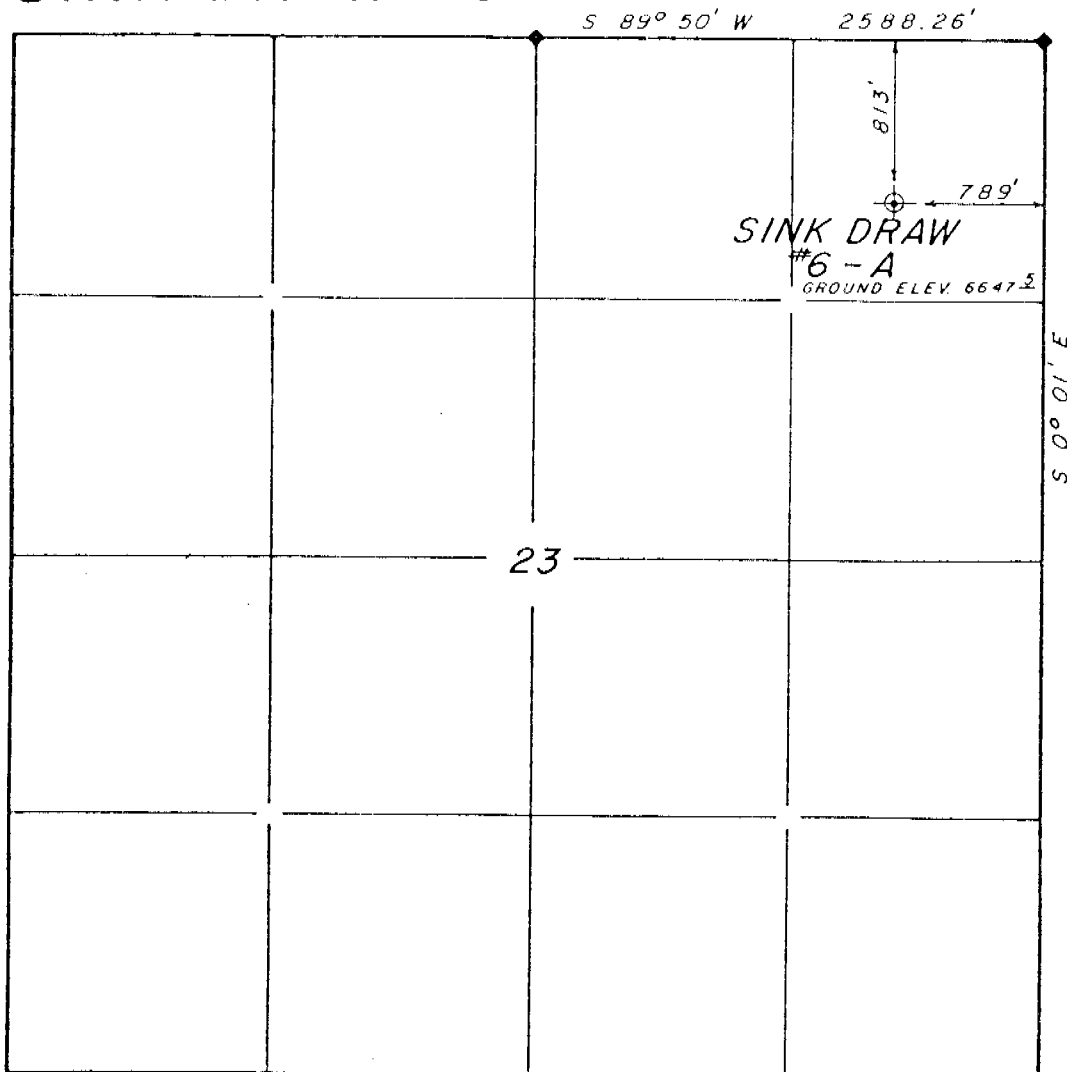
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: _____

KOCH EXPLORATION CO. WELL LOCATION SINK DRAW #6-A

LOCATED IN THE NE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$
OF SECTION 23, T 3 S, R 7 W,
OF THE U.S.B.&M.



SCALE: 1"=1000'

LEGEND & NOTES

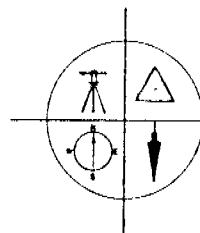
- ◆ ORIGINAL MONUMENTS FOUND OR
RE-ESTABLISHED BY THIS SURVEY.

THE GENERAL LAND OFFICE PLAT
WAS USED FOR REFERENCE AND
CALCULATIONS .

SURVEYOR'S CERTIFICATE

I hereby certify that this plat was prepared
from field notes of an actual survey
performed by me, during which the shown
monuments were found or established.

Jerry D. Allred
Jerry D. Allred, Registered Land
Surveyor, Cert. NO. 3817 (Utah)

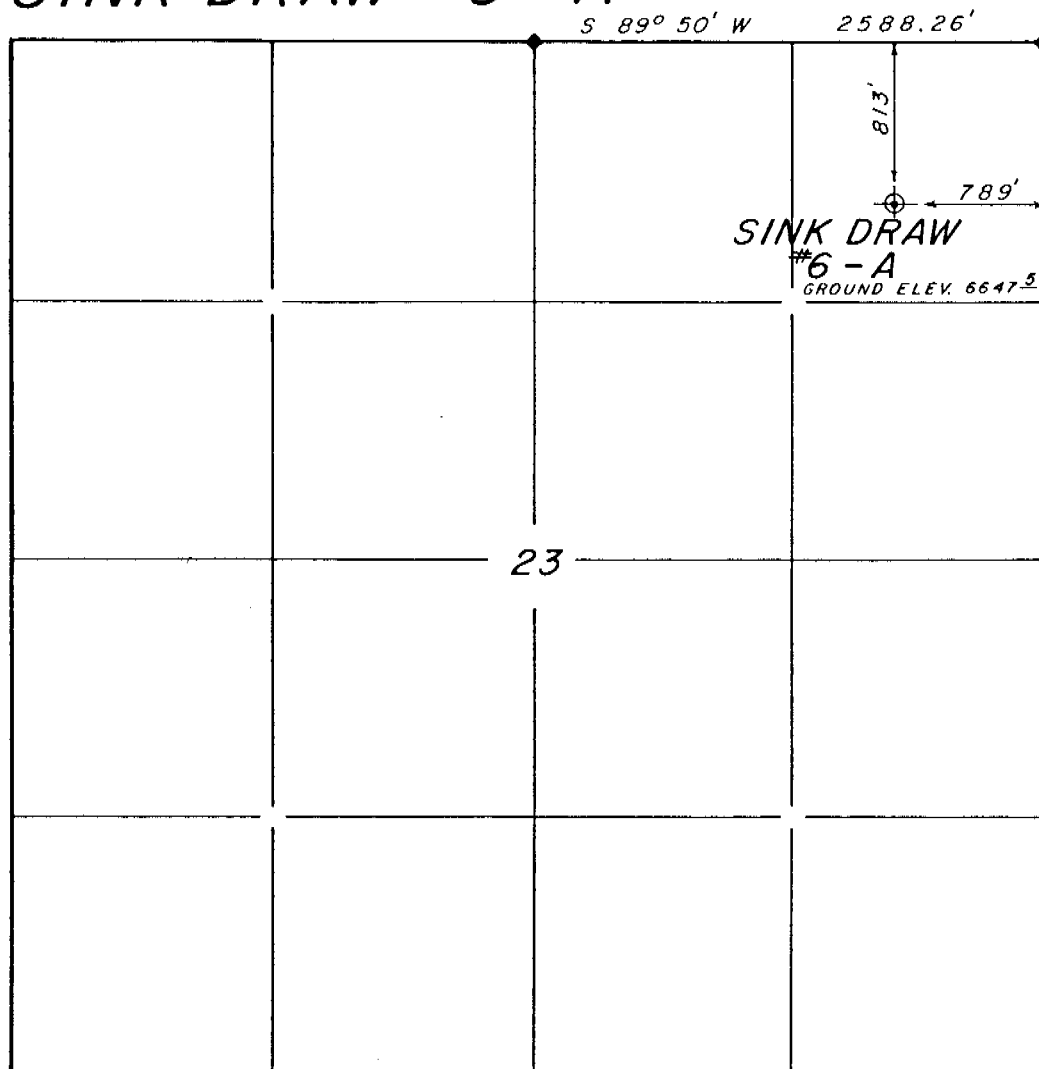


JERRY D. ALLRED & ASSOCIATES
Surveying & Engineering Consultants

121 North Center Street
P.O. Drawer C
DUCHESTER, UTAH 84021
(801) 738-5352

KOCH EXPLORATION CO. WELL LOCATION SINK DRAW #6-A

LOCATED IN THE NE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$
OF SECTION 23, T 3 S, R 7 W,
OF THE U.S.B.&M.



SCALE: 1"=1000'

LEGEND & NOTES

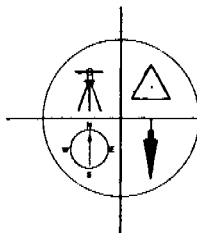
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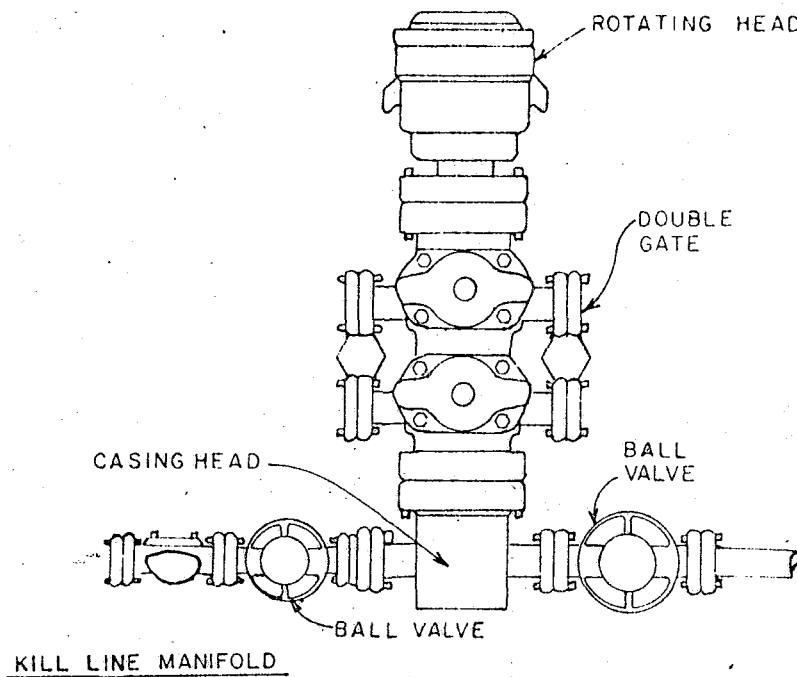


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15 Aug 80 73-122-012

BLOWOUT PREVENTOR



Sink Draw 6-A, Section 23-T3S-R7W, Duchesne County, Utah.

1. Geologic name of surface formation - Uinta Formation (Eocene).

2. Estimated tops of important geologic markers -

Evacuation Creek, Members of Green River Formation	3255'
Parachute Creek, Members of Green River Formation	4955'
Douglas Creek, Members of Green River Formation	6340'
Lower Green River Marker	7815'
Wasatch Formation	8085'

3. Estimated depths at which oil and gas will be encountered: From 4000' on.

4. Proposed casing program:

Surface casing	10-3/4"	40.5#	J55 ST&C
Intermediate csg	7-5/8"	26.4#	N80 LT&C
Production csg	5-1/2"	17.0#	J55 LT&C

Proposed setting depth of each casing string and the amount and type of cement including additives:

10-3/4" csg @ 600', cmt w/300 sx Class "G" w/3% CaCl

7-5/8" csg @ 8000', cmt w/200 sx BJ lite and 100 sx Class "G" w/2% CaCl.

5-1/2" liner from 7800' to 10,800', cmt w/200 sx Class "G" w/2% Gel, 0.4% R-5.

5. Pressure control equipment, well heads and BOP's:

13-3/8" csg head - 3000# WP Gray Head or equivalent.

9-5/8" csg head - 5000# WP Gray Head or equivalent.

13" 900 Series Shaffer Double Hydraulic BOP.

13" 900 Series GK Hydrill BOP w/80 gal accumulator.

SWACO HP Kill & choke manifold.

PVT Mud sensory equipment & rate indicator.

Degasser & Gas Buster

Rotating Drilling Head

Upper & Lower Kelly Cocks

Well Mud Logging Unit

Kill valve on Rig Floor - for stab-in.

Bulk Barite Storage.

6. Mud Program:

0 to 600' Fresh water. Spud mud 8.8 to 9.5#. 600 to 4500'. 4500' to 6400' Fresh water native mud 8.8 to 9.5# 6400 to TD Gel-Benex mud 9.2 to 13.0#. Mud pits will hold approx. 300 bbls. Will keep several hundred bbls produced water in reserve pit. Will have bulk barite storage hopper w/several tons on location at all times.

7. Auxillary Equipment:

Floats in drill pipe at bit

Upper and lower Kelly cocks

Kill valve on rig floor - for stab-in.

8. Testing, logging and coring program:

No drill stem tests anticipated.

No cores will be cut.

Dual Induction Laterolog with GR, FDC Logs will be run.

9. No abnormal pressures, temperature or poison gas anticipated.

10. Plan to start drilling well by 10-1-80. Well should be completed in 90 days.

Sink Draw 6-A Well
813' FNL, 789' FEL
Section 23-T3S-R7W
Duchesne County, Utah

1. Existing Roads - See accompanying USGS map.

A. See accompanying certified location plat and signed topographic map prepared by Jerry D. Allred and Associates.

B. Drive west from Duchesne, Utah 6.8 miles on U.S. 40. Turn north and drive on well travelled graded road 1.5 miles to a junction. Continue west on graded road approximately 7 miles.

C. The graded road is labeled on the accompanying USGS map.

D. The existing roads within a one-mile radius of the proposed location site are shown on the accompanying map and labeled as to the type of surface and condition.

E. The proposed well is a development well. See item "D" above.

F. The graded road from Highway 40 does not need any improvement.

2. Planned Access Roads - See accompanying USGS map.

(1) The constructed access road will be 15-20 feet wide.

(2) The maximum grade on any part of the access road will be 10%.

(3) There will be no turnouts provided or constructed.

(4) Borrow ditches and culverts will be installed, where necessary.

(5) Location and size of culverts and cuts and fills will be determined upon surface inspection with dirt contractor.

(6) We will not add any surface material in construction of access road. If production is established, then some gravel may be needed, the source of such gravel to come from a location near State Highway 87. (See attached topographic map).

(7) There will be no gates, cattleguards, or fence cuts.

(8) Proposed access road is center line flagged. See attached topographic map and Exhibit A showing proposed route.

3. Location of Existing Wells.

(1) through (5) None

(6) Sink Draw #6, NESW Section 23-T3S-R7W; Sink Draw #2, SWNE Section 24-T3S-R7W; Sink Draw #3, SWNW Section 13-T3S-R7W; Sink Draw #4, SENE Section 14-T3S-R7W.

(7) through (9) None.

4. Location of Existing and/or Proposed Facilities.

A. (1) and (2) tank batteries and production facilities located at Sink Draw 2, SWNE Section 24-T3S-R7W; Sink Draw 3, SWNW Section 13-T3S-R7W; Sink Draw 4, SWNE Section 14-T3S-R7W; Sink Draw 6, NESW Section 23-T3S-R7W.

(3) None.

(4) Gas gathering lines are along graded roads from Sink Draw 1 east past Sink Draw 2 and from Sink Draw 4 east to Sink Draw 3.

(5) None.

(6) Water line along graded road from Sink Draw 1 east past Sink Draw 2.

B. (1) There will be no new production facilities as we intend to use the existing facilities at the Sink Draw #6 well site and a 3-1/2" line will be laid along the proposed access road from the Sink Draw 6 well to the proposed Sink Draw 6-A well.

(2) through (4) N/A.

C. That part of the facility no longer needed after drilling is completed will be graded back to the original slope as near as practicable and reseeded with a grass mixture of five pounds crested wheat grass, five pounds intermediate wheatgrass and three pounds nomad alfalfa to each acre.

D. If plans to frac the well are made, frac tanks and equipment will be located at least 200 feet from the well head. Some additional grading and leveling of the location site may be needed.

5. Location and Type of Water Supply.

A. See accompanying topography map for location of water supply. The source of water supply will be from the Strawberry River near Duchesne, Utah.

B. We intend to transport the water supply with water trucks using State Highway 40 and the route described in 1. (B).

C. No water wells will be drilled on the leased premises.

6. Source of Construction Material.

A. Native material will be used in the construction of the location site.

B. The native material used in construction of the drillsite is on the leased premises where the minerals are owned by the Ute Indian Tribe and the Ute Distribution Corporation and the surface is owned by Utah Smith Lamb Producers.

C. See Item "A" above. Native materials will be used and if the proposed access road needs gravel, the gravel will be transported from a location near State Highway 87. (See attached topographic map).

D. N/A

7. Method for Handling Waste Disposal.

(1) All cuttings, salts and other solid waste will be contained in the reserve pit and, upon completion of drilling, will be covered upon filling the reserve pit.

(2) Drilling fluids will be contained in the reserve pit. Upon completion of drilling, the fluids will be allowed to evaporate or will be hauled away by truck and the reserve pit filled and restored.

(3) May be produced water and/or oil. If so, it will travel through a 3-1/2" line to the facilities at the Sink Draw 6 well and disposed of through our Salt Water Disposal System.

(4) A portable chemical toilet will be on the location site for human waste and sewage.

(5) All garbage and trash will be contained in the trash pit on the location site and, upon completion of drilling, the pit will be covered with a minimum of four feet of cover.

(6) Upon completion of drilling activities and after the rig has been moved off the location, the trash pit and reserve pit will be filled and leveled and all disturbed areas not needed for production activities will be restored to its original slope and condition, as nearly as is practicable. All excess material unnecessary for the production of the well will be moved off the location.

8. Ancillary Facilities.

There will be a 3-1/2" line from the well to the existing facilities at the Sink Draw 6 well.

9. Well Site Layout.

Items 1, 2 and 3. See accompanying well site layout plat.

Item 4. The reserve pit will be unlined.

10. Plans for Restoration of Surface.

(1) Upon completion of drilling and producing activities, all disturbed areas will be graded to the original slope and contour as nearly as is practicable and the top soil that is stripped and stockpiled will be spread over the area. All waste and trash will be buried in the trash pit. The reserve pit will be allowed to dry prior to backfilling and leveling.

(2) Upon completion of the backfilling, leveling and contouring of the site, reseeding will be accomplished with a grass mixture of five pounds crested wheat grass, five pounds intermediate wheatgrass and three pounds nomad alfalfa to each acre.

(3) Prior to releasing the rig from location, the reserve pit will be completely fenced for protection of livestock and wild life until the pit has dried and is backfilled and leveled.

(4) Upon completion of drilling operations, any oil in the pit will be removed or burned off.

(5) Restoration activities will begin immediately after completion of the well and the backfilling, leveling and contouring should be completed within 60 days from commencement of such activities. Reseeding will be accomplished when the moisture content of the soil is adequate for germination.

11. Other Information.

(1) The well site is located on a northwesterly slope of approximately 1.5% grade with shale and sandstone soil, pinion pine, Juniper, cactus and sagebrush. The animal life consists of small rodents, lizards, rabbits and deer.

(2) The area supports grazing for sheep. The minerals are owned by the Ute Indian Tribe and the Ute Distribution Corporation, and the surface is owned by: Utah Smith Lamb Producers, C/O Emory C. Smith, 1835 Yalecrest Avenue, Salt Lake City, Utah 84108.

(3) There are no dwellings in the area and no evidence of archeological, historical or cultural sites affected.

12. Lessee's or Operator's Representative.

Esger Matteson
715 Horizon Drive, Suite 177
Grand Junction, CO 81501
Telephone (303) 245-8315
Home (303) 434-7039
Mobile(303) 245-3660 Unit 5745

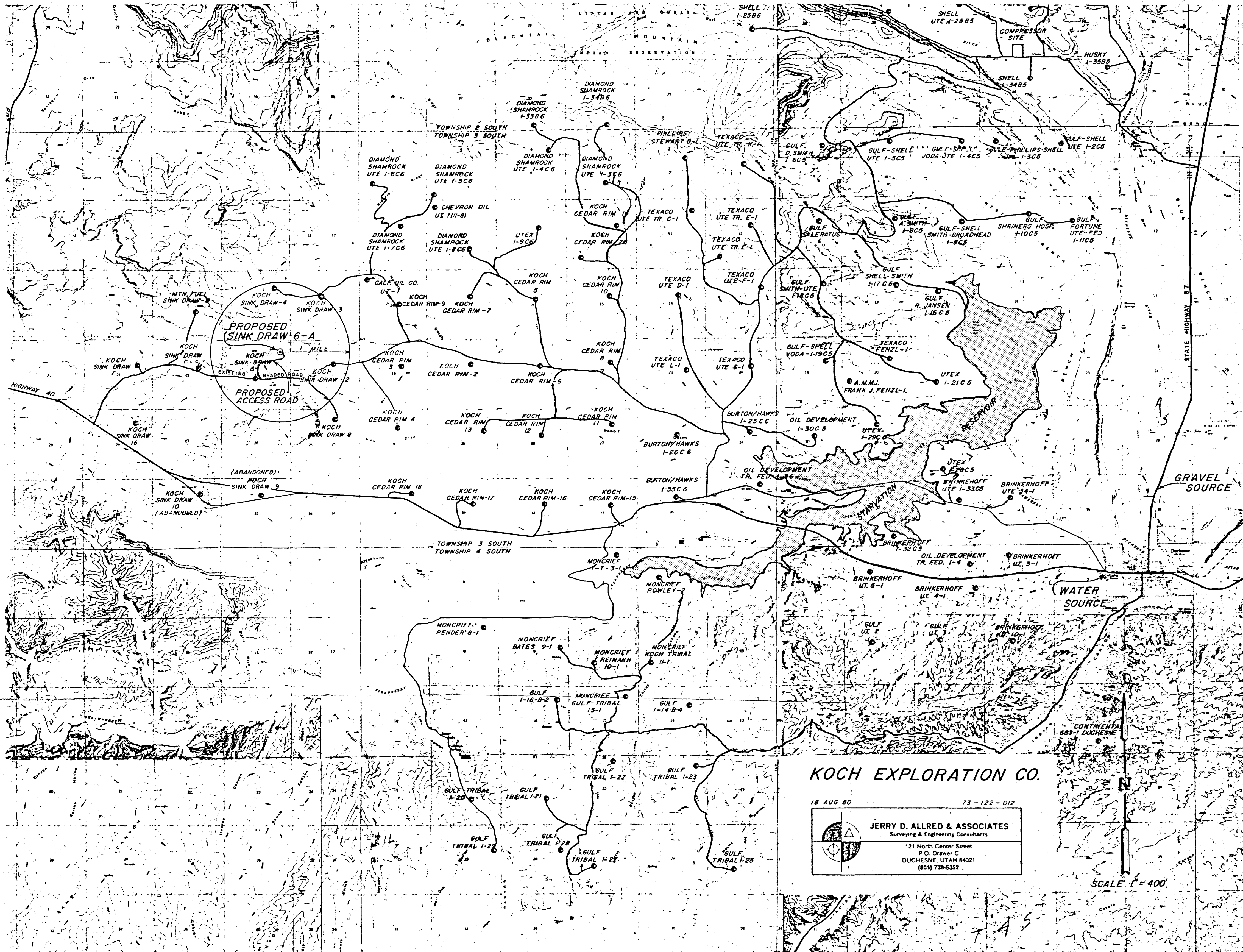
or Janet Kae Kruse
1 Park Central, Suite 530
Denver, CO 80202
(303) 623-5266

13. Certification.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Koch Exploration Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

August 27, 1980
Date

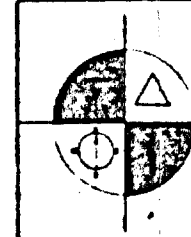
Janet Kae Kruse
Janet Kae Kruse
Landman



KOCH EXPLORATION CO.

18 AUG 80

73-122-012



JERRY D. ALLRED & ASSOCIATES
Surveying & Engineering Consultants

121 North Center Street
P.O. Drawer C
DUCHESE, UTAH 84021
(801) 738-5352

SCALE 1" = 400'

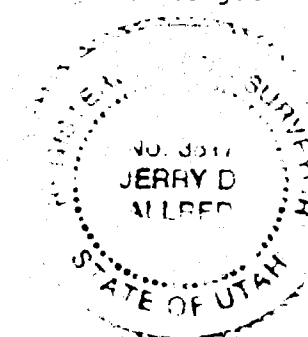
CENTER LINE OF RIGHT-OF-WAY SURVEY
FOR
KOCH EXPLORATION CO.
SINK DRAW #6-A, ACCESS ROAD
SECTION 23, TOWNSHIP 3 SOUTH, RANGE 7 WEST
UINTAH SPECIAL BASE & MERIDIAN

DESCRIPTION OF RIGHT-OF-WAY

A 30-foot wide right-of-way over part of Section 23, Township 3 South, Range 7 West of the Uintah Special Base and Meridian, the centerline of said easement being further described as follows:
Beginning at a point which is South 3212.35 feet and West 2186.26 feet from the Northeast Corner of said Section:
Thence North 19°56'51" East 379.46 feet;
Thence North 67°46'40" East 127.54 feet;
Thence North 22°00'20" East 81.09 feet;
Thence North 7°19'18" West 119.67 feet;
Thence North 0°27'27" East 146.75 feet;
Thence North 10°17'25" West 135.60 feet;
Thence North 36°32'25" West 123.89 feet;
Thence North 15°06'48" West 108.76 feet;
Thence North 11°12'44" East 226.18 feet;
Thence North 46°40'50" East 401.18 feet;
Thence North 49°08'45" East 154.77 feet;
Thence North 58°25'24" East 172.50 feet;
Thence South 72°12'03" East 519.91 feet;
Thence North 30°38'07" East 305.55 feet;
Thence North 46°43'46" East 175.54 feet;
Thence North 38°38'48" East 171.31 feet;
Thence North 5°45'35" West 198.62 feet to the location of the KOCH EXPLORATION CO. Sink Draw #6-A, containing 2.44 acres.

SURVEYOR'S CERTIFICATE

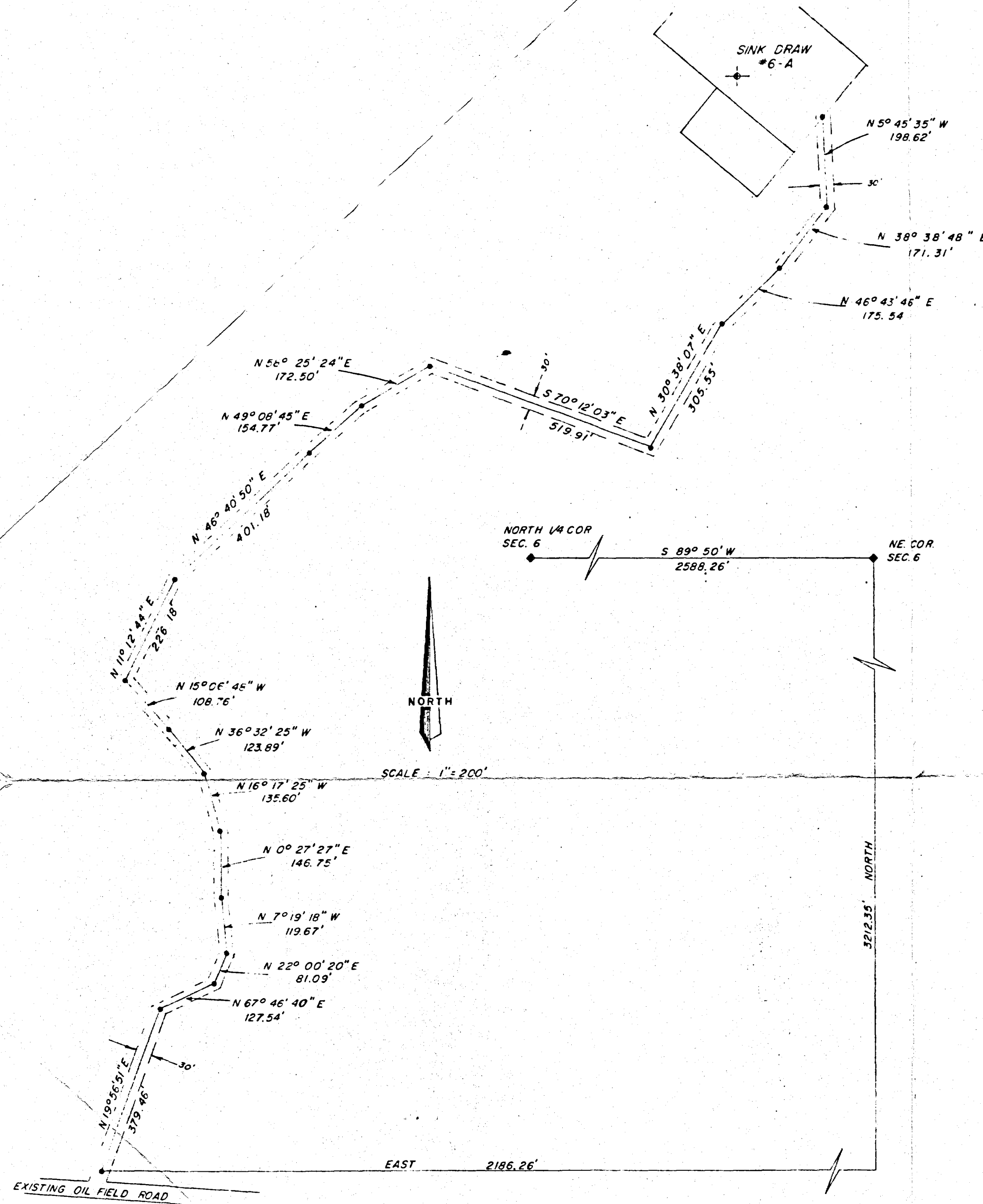
This is to certify that under my personal supervision a survey was made of the right-of-way shown on this plat and that said plat was prepared from the field notes of said survey and is true and correct to the best of my knowledge.



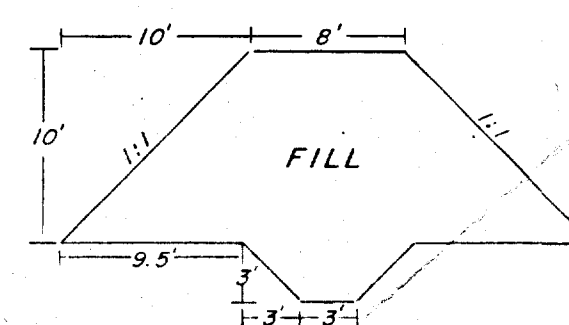
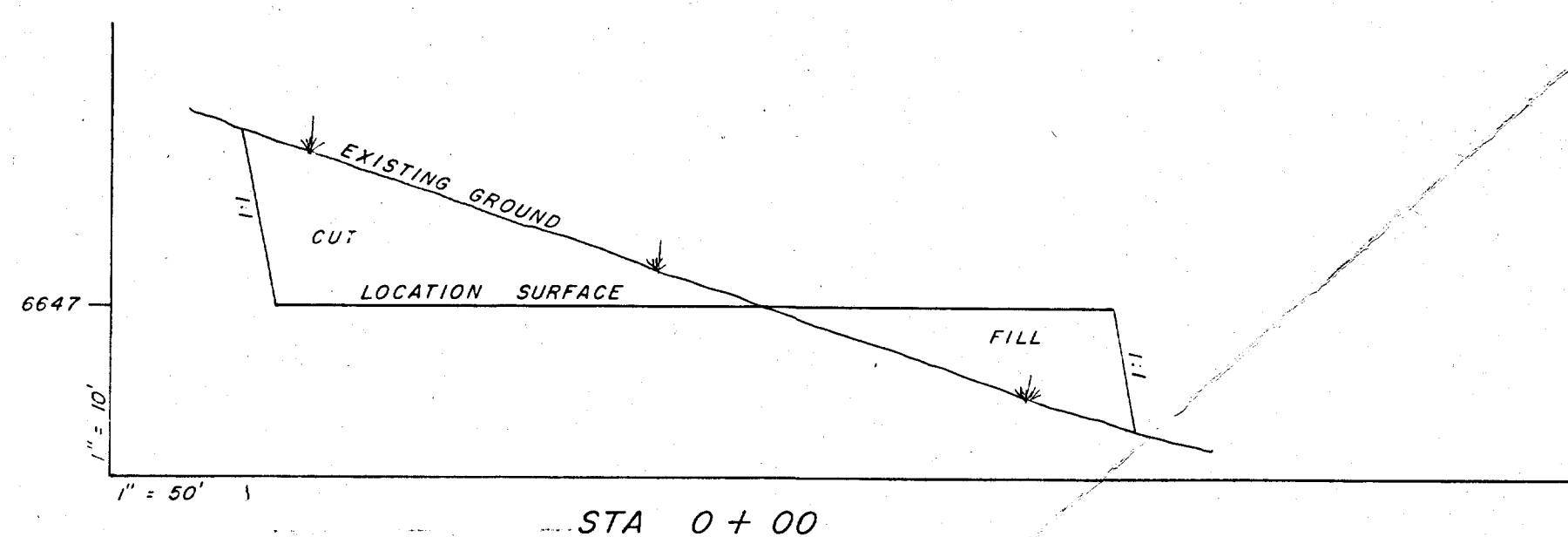
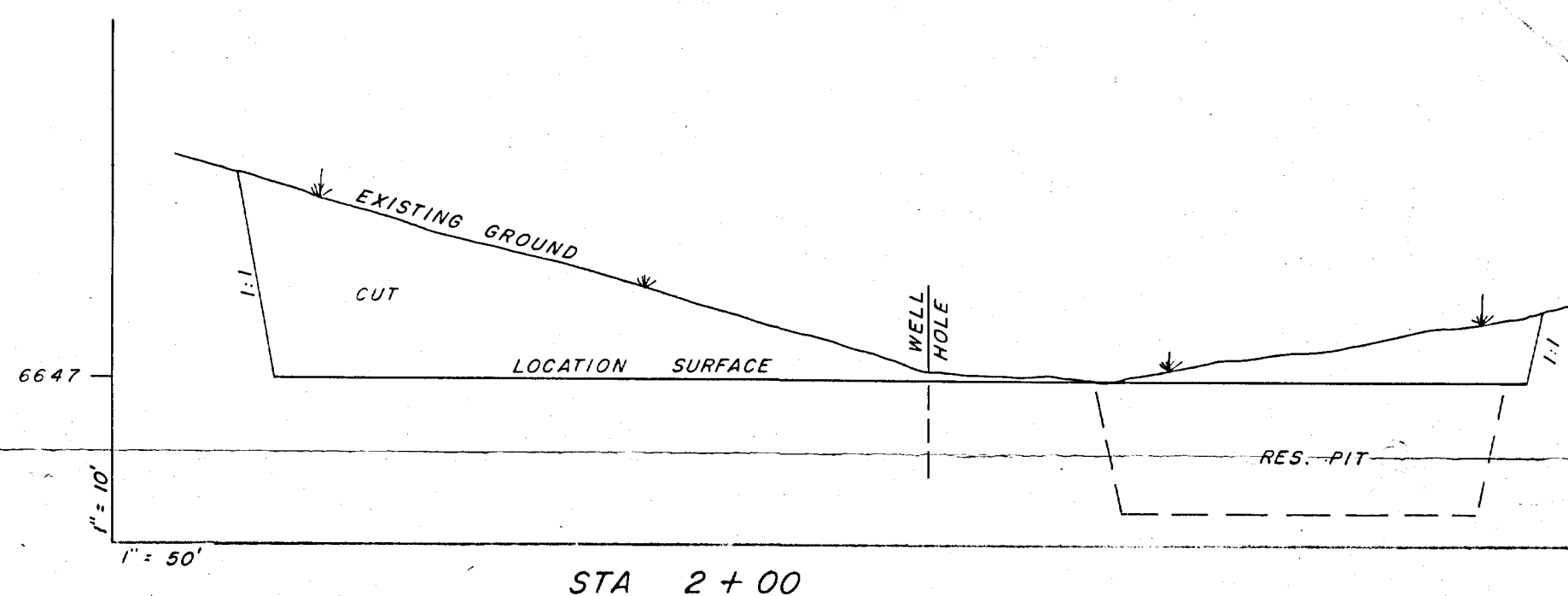
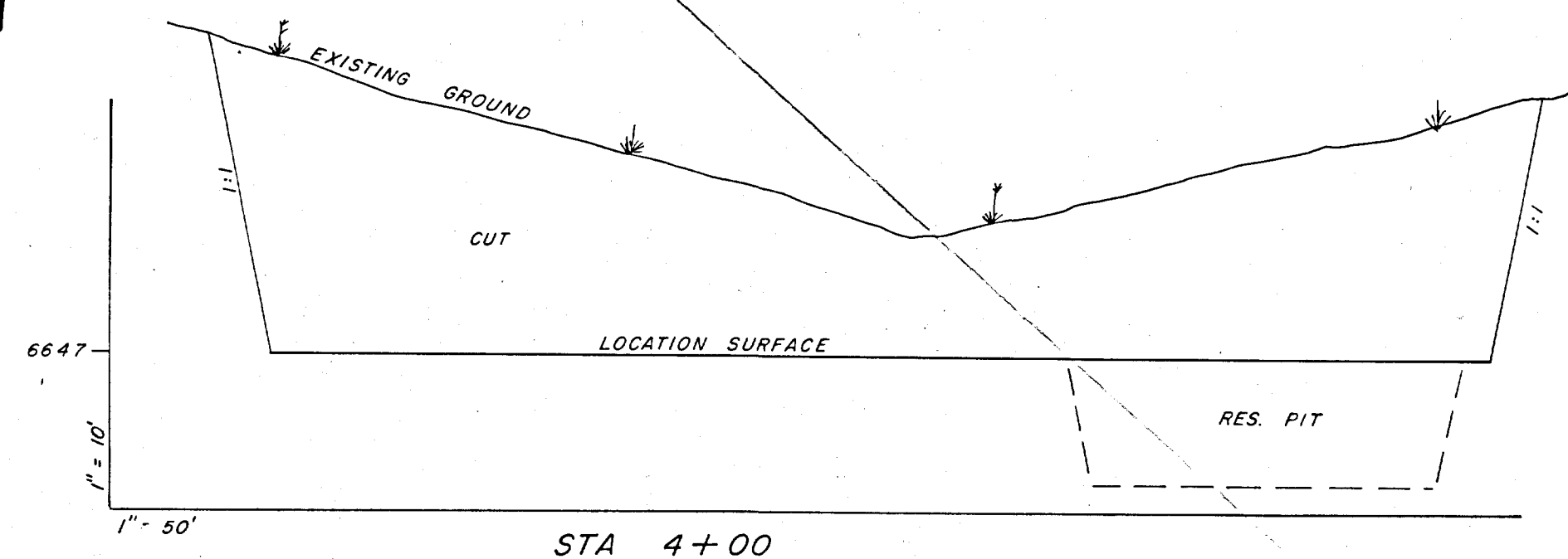
Jerry D. Allred
Jerry D. Allred, Registered Land
Surveyor, Cert. No. 3917 (Utah)

EXHIBIT A

JERRY D. ALLRED & ASSOCIATES
Surveying & Engineering Consultants
121 North Center Street
P.O. Drawer C
Duchesne, Utah 84021
(801) 738-5352



LOCATED IN THE NE 1/4, OF THE NE 1/4, OF SECTION 23,
T 3 S, R 7 W, U.S.B. & M.



NOTES

SOIL IS COMPOSED SHALE AND WEATHERED SANDSTONE

SPIKE WITH LATH SET AT THESE POINTS

APPROXIMATE YARDAGES

CUT: 40,400 cu yds

FILL: 1,500 cu yds

JERRY D. ALLRED & ASSOCIATES
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RIGHT-OF-WAY AND EASEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between Utah Smith Lamb Producers (hereinafter termed "Grantor") and KOCH INDUSTRIES, INC., a Kansas corporation, qualified to do business in the State of Utah (hereinafter termed "Grantee").

WITNESSETH:

That for and in consideration of the sum of Ten and No/Hundredths Dollars (\$10.00), the receipt and sufficiency of which is hereby acknowledged, and the further consideration hereafter provided to be paid to Grantor by Grantee when such grant shall be used and occupied, Grantor does hereby grant, bargain, convey, and confirm unto Grantee, its successors and assigns, subject to all terms and conditions hereof, a non-exclusive easement and right-of-way over and across the following-described lands, to wit:

Section 23, Township 3 South, Range 7 West, U.S.M.,
Duchesne County, Utah.

hereinafter referred to as "Said Lands," for the purpose or purposes of:

(A) Roadways: A non-exclusive easement and right-of-way to construct roadways for general passage thereover as indicated on the map attached to and made a part of this agreement and marked as Exhibit "A" hereto. Said right-of-way shall be fifty (50) feet in width, on, over, through, and across Said Lands, as access roads in connection with exploring and drilling for, operating, mining, producing and transporting oil, gas, liquid hydrocarbons and their respective constituent products, whether similar or dissimilar, together with the right to relocate portions of said roads and right-of-way consistent with the rights herein granted, and the right to improve, reconstruct, repair and maintain same as they may be constructed and located, including the right to remove material excavated from cuts for use as fill, for the purpose of, but not limited to transporting equipment, supplies, products, and personnel of Grantee and of Grantee's agents, contractors, and invitees. Consideration due upon Grantee's exercise of these roadway easements shall be Five and Twenty-Five/One Hundredths Dollars (\$5.25) per rod.

(B) Pipelines: A non-exclusive easement fifteen (15) feet in width within the above described 50 foot road right-of-way and easement to construct, lay, reconstruct, renew, operate, maintain, service, repair, alter, inspect, protect, replace, and, from time to time, change the size of and remove a pipeline on, over, through, under, and across the above-described lands for the transportation of oil, gas, water, and any other liquid or gaseous hydrocarbons, together with such valves, fittings, meters, and other appurtenances as Grantee deems necessary or convenient for the operation thereof, together with the right of ingress and egress connected therewith. There is included in this grant the right, from time to time, to construct, lay, reconstruct, renew, operate, maintain, service, repair, alter, inspect, protect, replace, remove, and change the size of one or more additional lines of pipe approximately parallel with the first pipeline laid by Grantee hereunder, subject to Grantee paying Grantor a like consideration per rod line as set out below, subject to the same benefits and conditions as are herein provided for the initial pipeline laid by Grantee hereunder. Consideration due upon Grantee's exercise of this pipeline easement shall be Three and Fifty/One Hundredths Dollars (\$3.50) per rod, irrespective of the number of pipelines constructed during any single exercise of its rights hereunder.

(C) Construction activities: During any period of construction of pipelines on the easement and right-of-way granted hereby, Grantee shall have the right to temporarily expand the width of the same to fifty (50) feet to aid in construction, subject only to restoring the surface of such expanded right-of-way and easement to its earlier condition upon completion of such construction;

to have and to hold unto Grantee, its successors and assigns for a term of twenty (20) years from the effective date of this agreement, for the purposes aforesaid. Any parties who may acquire an interest under this agreement by way of succession or assignment shall take such interest subject to this agreement, all terms of which shall be binding upon them.

Notwithstanding the term hereof, this grant shall terminate as to any portion thereof and Said Lands applicable thereto:

(a) Which is not used within three (3) years from the date hereof, or

(b) Which is not used for a period of twelve (12) consecutive months following an initial use during the first three (3) year period following the date hereof.

Grantor further hereby grants unto Grantee the exclusive and irrevocable option to renew this right-of-way and easement agreement for two (2) additional periods of five (5) years each, said option to renew being granted on condition that Grantor be notified of the exercise of such option at least thirty (30) days before termination of the applicable preceding term of this right-of-way and easement agreement, and on the further condition that Grantee is to pay Grantor a sum to be mutually agreed upon as consideration for such renewal. Any failure to reach said mutual agreement shall have no effect on Grantee's rights hereunder. If such agreement is not reached within ninety (90) days after the commencement of any renewal period, the question of consideration shall be decided by arbitration under the then existing rules of the American Arbitration Association.

Grantee may, at any time, relinquish its rights granted hereunder by written instrument recorded in Duchesne County, Utah, and by giving written notice thereof to the Grantors by certified mail within ten (10) days after such recordation. Upon such relinquishment, all of Grantee's rights and obligations shall immediately cease.

Grantor shall have the right to use and enjoy said right-of-way and easement, provided, however, that Grantor shall not exercise such use and enjoyment in a manner that will impair or interfere with the exercise by Grantee of any of the rights herein granted. Should Grantor need to build, create, construct, or permit to be built, created or constructed, any obstruction, building, lake, engineering works, or other structures over or on any road-way or pipeline constructed pursuant to the right-of-way and easement herein granted, they shall furnish another servitude of the same width and as close to the servitude hereby granted as is practicable and cause the relocation of such road and pipelines at their expense without further consideration or payment for damages arising out of such relocation. Conversely, Grantee agrees to construct all necessary exit and entry points alongside any roadway constructed hereunder so as to permit Grantor access onto adjoining lands with its water trucks and camp wagons for the purpose of maintaining livestock and other operations on Said Lands. Grantee further agrees to bury all pipelines where feasibly possible to a depth that will not impede livestock operations on said land.

The consideration to be paid by Grantee and to be received by Grantor includes full and final payment for any and all damages to the land, growing crops, pasturage, timber, fences, buildings and other improvements of Grantor resulting from construction activities in the exercise of the rights herein granted. Grantor hereby agrees to accept said consideration in full payment as liquidated damages and relief therefore, thereby releasing Grantee of and from any and all such damages and waiving the right to collect any further or additional damages therefore; provided however the provisions of this paragraph shall not be interpreted to limit Grantor's claim for damages of a nature other than those listed or arising out of future operations or construction activities conducted by Grantee in accordance with the terms hereof.

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors, and assigns. All rights herein granted may be assigned in whole or in part, but only with the prior express written consent of Grantor, which consent shall not be reasonably withheld.

Grantor represents and warrants that he is the owner in fee simple of the surface estate in the land above described.

Grantee agrees to hold Grantor harmless and to protect Grantor from any and all liability or claims of whatsoever kind or character growing out of or resulting from Grantee's operations in connection with the easement and right-of-way granted hereunder.

Any notice required or desired to be served shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid and certified or registered, return receipt requested, and addressed as follows:

To Grantors:

Utah Smith Lamb Producers
C/O Emory C. Smith
1835 Yalecrest Avenue
Salt Lake City, Utah 84108

To Grantee:

Koch Industries, Inc.
P.O. Box 2256
Wichita, Kansas 67201
Attention: Right-of-Way Department

Or to such other address either party hereto may from time to time designate by written notice to the other.

This grant does not constitute a conveyance of any part of the land above described or of the oil and gas therein and thereunder but only a right-of-way and easement as herein specified under the terms and conditions herein provided. It is further agreed and understood that this right-of-way is subject to any and all valid oil and gas leases now in existence upon said lands.

_____, 1980.

By: Emory C. Smith
"Grantor"

ATTEST:

On this _____ day of _____, 19____, personally appeared before me _____, the signer of the above instrument, who duly acknowledged to me that he executed the same.

Notary Public for the State of
Residing at

STATE OF)
) SS
COUNTY OF)

WITNESS my hand and official seal.

Notary Public for the State of Kansas
Residing at Wichita, Kansas

REHABILITATION PLAN

Lease No.: UT-05758 ; Well Name and No.: Sink Draw 6-A ;
 Location: 789' FEL, 813' FNL NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 23 , T. 3S **, R. 7 W.

Koch Exploration ~~***~~ Company intends to drill a well on surface owned by Utah Smith Lamb Producers. The lessee/operator agrees to complete the following rehabilitation work if the well is a producer:

- ☒ Yes ☐ No Maintain access road and provide adequate drainage to road.
☒ Yes ☐ No Reshape and reseed any area not needed for maintenance of the pump and support facilities.

Other requirements: _____

The following work will be completed when the well is abandoned:

- ☒ Yes ☐ No Pit will be fenced until dry, then filled to conform to surrounding topography.
☒ Yes ☐ No Water bars will be constructed as deemed necessary.
☒ Yes ☐ No Site will require reshaping to conform to surrounding topography.
☒ Yes ☐ No Entire disturbed area will be reseeded. If yes, the following seed mixture will be used: A grass mixture of five pounds crested wheat grass, five pounds intermediate wheat grass and three pounds nomad alfalfa to each acre.
☐ Yes ☒ No Access road will be closed, rehabilitated and reseeded using the same seed mixture as above.
☒ Yes ☐ No Access road will remain for surface owner's use.
☒ Yes ☐ No Water bars will be constructed on the access road as deemed necessary.

Other requirements: _____

Surface Owner:

Name: Utah Smith Lamb Producers
 Address: C/O Emory C. Smith
 City: 1835 Yalecrest Avenue
 State: Salt Lake City, UT 84108
 Telephone: (801)
 Date: _____

Operator/Lessee

Name: Koch Exploration Company
 Address: 1 Park Central, Suite 530
 City: Denver
 State: Colorado 80202
 Telephone: (303) 623-5266
 Date: _____

I CERTIFY rehabilitation has been discussed with me, the surface owner:
Utah Smith Lamb Producers
 By: _____

(Surface owner's signature)
 Emory C. Smith

This plan covers rehabilitation requirements only and does not affect any other agreements between the lessee/operator and surface owner.

** FILE NOTATIONS **

DATE: September 26, 1980
OPERATOR: Koch Exploration Company
WELL NO: Sink Draw #6A
Location: Sec. 23 T. 35 R. 7W County: Duchene

File Prepared: ☐

Entered on N.I.D: ☐

Card Indexed: ☐

Completion Sheet: ☐

API Number 43-013-30545

CHECKED BY:

Petroleum Engineer: M. J. Minder approved as a (no grade) replacement well for the Sink Draw #6 and may not be produced prior to proper P & A of the Sink Draw #6 well. don't put in #6 well.

Director: _____

Administrative Aide: does not comply with spacing rules

APPROVAL LETTER:

Bond Required: ☐

Survey Plat Required: ☐

Order No. 140-6 8/11/71

O.K. Rule C-3 ☐

Rule C-3(c), Topographic Exception - company owns or controls acreage within a 660' radius of proposed site

Lease Designation Ind

Plotted on Map ☒

Approval Letter Written ☒

Hot Line ☒

P.I. ☒

October 20, 1980

Koch Exploration Company
1 Park Central, Suite 530
Denver, Colorado 80202

Re: Well No. Sink Draw #6A
Sec. 23, T. 3S, R. 7W
Duchesne County, Utah

Insofar as ~~this~~ office as concerned, approval to drill the above referred to oil well as an infill test well is hereby granted. However, this well is approved as a 60-day test well and at no time may this well and the Sink Draw #6 located in the same section be produced at the same time after the 60-day testing period unless otherwise authorized by the Board of Oil, Gas, and Mining.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Petroleum Engineer
Office: 533-5771
Home: 876-3001

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-013-30545.

Sincerely,

DIVISION OF OIL, GAS, AND MINING

Michael T. Minder,
Petroleum Engineer

/ka
cc: USGS

June 2, 1981

Koch Exploration Company
1 Park Central, Suite 530
Denver, Colorado 80202

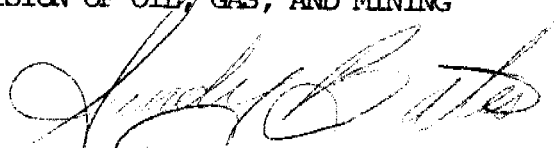
Re: SEE ATTACHED SHEET ON WELLS DUE.

Gentlemen:

In reference to above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not recieved any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan on drilling these well locations at a later date, please notify as such.

Your prompt attention to the above will be greatly appreciated.

Very truly ~~yours~~,


DIVISION OF OIL, GAS, AND MINING

SANDY BATES
CLERK-TYPIST

ATTACHED SHEET ON WELLS DUE

1. Well NO. Sink Draw #3-A
Sec. 13, T.3S. R.7W.
Duchesne County, Utah

2. Well No. Sink Draw #6-A
Sec. 23, T.3S. R.7W.
Duchesne County, Utah

3. Well No.,,



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

January 29, 1982

Koch Exploration Company
1 Park Central, Suite #530
Denver, Colorado 80202

Re: Well No. Sink Draw 3-A
Sec. 13, T. 3S, R. 7W
Duchesne County, Utah

Well No. Sink Draw 6-A
Sec. 23, T. 3S, R. 7W
Duchesne County, Utah

Gentlemen:

In reference to the above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan to drill this location at a later date, please notify as such.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS AND MINING

Cari Furse
Clerk Typist

KOCH EXPLORATION COMPANY

SUITE 530 ONE PARK CENTRAL 1515 ARAPAHOE STREET
DENVER, COLORADO 80202 TEL. 303-623-5266



February 5, 1982

L.A.

State of Utah
Natural Resources & Energy
Oil, Gas and Mining
4241 State Office Bldg.
Salt Lake City, UT 84114

Re: Well No. Sink Draw 3-A
Sec. 13-T3S-R7W
Duchesne County, Utah

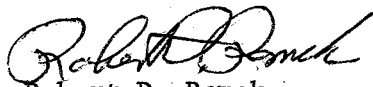
Well No. Sink Draw 6-A
Sec. 23-T3S-R7W
Duchesne County, Utah

Gentlemen:

Reference is made to your letter dated January 29, 1982 asking about the status of the above referenced wells.

We have elected not to drill the above referenced wells and therefore, our Applications to Drill may be canceled.

Yours very truly,


Robert D. Romek
District Landman

aps

cc: Bud Ziser

RECEIVED
FEB 11 1982
DIVISION OF
OIL, GAS & MINING